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INDIAN VIEWS ON THE FUTURE OF ANGLO-INDIAN RELATIONS

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INTELLIGENCE RESEARCH REPORT

R&A OCL-4198

January 24, 1947

An analysis of various political, economic, and psychological factors shaping India's point of view with respect to the future of British-Indian relations.

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Summary

The current trend toward an independent India apparently precludes any way-station halt at the level of dominion status within the British Commonwealth despite the British contention that the two are not necessarily alternative choices. India's foreign policy objectives will be largely independent of British interests per se, whether political or economic. In an attempt to achieve India's basic strategic goal of predominant influence throughout the Indian Ocean and in lands fronting thereon, the Government of India will (1) press vigorously her program of industrial and commercial expansion, (2) take a bold stand in denouncing the continuance of European colonialism especially in southeastern Asia and to a lesser extent in Africa, (3) challenge racial discrimination as practiced by Europeans generally, and particularly in British territories inhabited by overseas Indians, (4) bolster her prestige among Asiatic peoples, taking particular care all the while not to offend China, the USSR, and the Arab league.

Despite the independent character of India's foreign policy objectives, the Government for some time to come can and probably will utilize considerable British assistance, both governmental and private. British aid and cooperation will be needed by India in maintaining various governmental services that are technical in character, in training foreign service personnel, in assisting business and industrial expansion, in the Indianization of the officer corps of the army, and in the entire field of security arrangements for southern Asia. Only the unlikely possibility of an open and irreparable break in British-Indian relations would seem to stand in the way of such cooperative activities as are mutually advantageous in character.

If the major economic problem of the utilization and funding of India's sterling balances can be worked out satisfactorily,

India will acquire a large stake in both the continued solvency and the productivity of the United Kingdom so that the debt itself can well become an important stabilizing factor in the future relations of the two countries. In view of the prospective annual release of portions of the sterling balance account and the probable continuing heavy demands for British goods in the Indian market, trade in large volume between India and Britain is likely to continue for several decades. These tangible economic inter-relationships considered in conjunction with a realistic evaluation of India's dependence on Britain in security matters indicate how much stronger is Britain's position vis-à-vis India than that of any rival power. Despite the widespread bitterness of Indian feeling against the British, they will be inclined to trust a declining Britain whom they know in preference to an unknown and potentially aggressive third power.

Indian relations with the UK will encounter difficulties in connection with the alleged inability of British authorities to transfer to an Indian Government the privileged position which Britain has long maintained in peripheral areas lying along India's northern frontiers, in tribal areas, and with regard to the native states. Britain may also seek to capitalize on fears of Indian domination harbored by other southeast Asian peoples in order to maintain active British participation in the security arrangements and the foreign relations of these countries.

India's bid for Asiatic leadership is very important psychologically but appears to carry little immediate promise of tangible material realization. The only potentially aggressive aspect of India's role as an independent state derives from a hypersensitive concern for the well-being of Indian residents overseas, which carries overtones of manifest destiny with respect to India's own future role in directing the progress of backward peoples in Africa

and the East Indies. Indian expansionism, however, is at most a matter for the indefinite future.

INTRODUCTION

During the next several years, Britain and India will be obliged to negotiate agreements concerning such matters as financial relations, trade, sterling balances, the training of India's diplomatic corps, the Indianization of the officer corps of the army, defense arrangements, and the status of investments in both countries held by nationals of the other. No matter how difficult Indians may find it to forget the allegation that British rule has been the cause of all their miseries, long-established commercial relations and the wide familiarity of her educated classes with the business practices, language, culture, law, and political institutions of Great Britain afford a wide range for possible future collaboration.

This paper proposes to assess the probable extent and character of the initial separation in prospect, to set forth the various considerations on which continued collaboration for mutual advantage may be anticipated, and to indicate some fundamental problems certain to arise that will tend in time to disturb any collaborative arrangement. The discussion is based upon the assumption that rival political groups within India will reconcile their differences at least to the extent that the central government will be able to develop a foreign policy that is articulate and self-contained.

I. THE CURRENT SITUATION

A. Procedural Considerations

The prospective negotiations between the Indian Constituent Assembly and the British High Commissioner[1] will terminate the present British status in India and fix the character of their future relations. The Constituent Assembly itself will decide whether India is to remain a partner in the British Commonwealth or secede from it.[2] Within the purview of the Commissioner's powers as negotiator will presumably fall not only matters concerning future financial and commercial relations (including pensions and severance of service obligations due the Indian Civil Service) but also the redefinition of the status of the tribal areas and the frontier regions heretofore under British supervision. Finally, India's role in the maintenance of order and in the general defense of southern Asia against outside aggression will have to be considered.[3]

In India it is regarded as significant that the transfer of power to Indian hands is apparently to be accomplished mainly by treaty rather than by an act of the British Parliament declaring, as in the case of other Dominions, that the King would hereafter be

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1. Terence A. Shone was appointed High Commissioner on September 17 and took over his post on November 19, 1946.
2. In the White Paper of June 1946, Prime Minister Attlee declared: "I hope that the Indian people may elect to remain within the British Commonwealth. I am certain that they will find great advantages in doing so.... But if she does so elect, it must be by her own free will. The British Commonwealth and Empire is not bound together by external chains of compulsion. It is a free association of free peoples. If India elects for independence, in our view she has a right to do so." The Constituent Assembly in January, 1947 firmly resolved to proclaim India an independent sovereign republic.
3. Sir Syed Sultan Ahmed, A Treaty Between India and the United Kingdom (New Delhi, 1945), Introduction. Since November, 1945, Sir Syed has been constitutional adviser to the Chamber of Princes. He was formerly judge of the Patna High Court, Vice-Chancellor of Patna University, delegate to the India Round-table Conferences of 1930-31, and Member of Government for Information and Broadcasting, 1943 - 1945.

advised in Indian affairs by Indian ministers responsible to an Indian parliament.[1] The treaty will later be presented to Parliament for ratification. A second act of Parliament would be needed if the King's title were changed, a contingency which might also involve calling an Imperial Conference. Thus far the Interim Government of India has continued the legal practice of taking the oath of allegiance to the British Crown, It is assumed that the treaty will include the British transfer of control over the external relations of the Princely States to the Central Government, provision for reciprocal nondiscrimination against the economic interests of either party, protection of minority rights, and arrangements for British-Indian military cooperation. The initial treaty which is to be concluded by India's constitution-making body will no doubt deal primarily with various considerations governing the immediate contingency of separation, reserving for later negotiation by an Indian government legally constituted under the new constitution the establishment of definitive relationships with Britain.[2] Provision for orderly revision of the treaty by a responsible Indian government would be included in any case.

B. India's Foreign Policy as Revealed by Nehru

Pandit Jawaharlal Nehru currently head of the Interim Government, has explained in a series of statements that the basic objectives of India's foreign policy are to end European colonization, especially in Asia, to establish the equality of opportunity for all races, and to end the exploitation of one nation by another.

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1. Article 22 of the statement issued by the Cabinet Mission and Viceroy on May 16, 1946, states simply that a treaty will cover matters arising out of the transfer of power.
2. Ahmed, op.cit.

India will play an independent and unfettered role in international affairs and will attempt to avoid becoming identified with rival power groups. The establishment of India's leadership throughout southern Asia is also a major policy consideration. Nehru has proposed sending to the countries of the Near and Middle East a good-will mission headed by a former President of the Congress Party and an outstanding Moslem scholar, Maulana Abul Kalam Azad. This gesture has been challenged by Jinnah, who is obviously endeavoring to enlist Arab League support for Pakistan.[1] Nehru also proposes to cultivate close relations with nationalist Burma and Siam, to establish consulates at Bangkok and Saigon, and to befriend an independent Indonesia.[2] India was one of the primary supporters of Siam's application for membership in the United Nations.[3] In connection with the outbreak of armed strive between Vietnam supporters and the French in Indochina in late December, 1946, Congress Party papers and government spokesmen have expressed indignation over French military action.[4]

Nehru has proposed to establish diplomatic relations with the USSR on the same basis as with China and the United States, the only two other countries with which India has exchanged ambassadors.[5] Russia's importance in world affairs and its geographic position as a neighbor to India make official relations between the two extremely significant.

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1. T-8123 from New Delhi, December 30, 1946, CONFIDENTIAL
2. Indian Information Service, Washington, September 27, 1946.
3. T-972, New York, December 16, 1946, UNRESTRICTED. An Indian consulate was installed at Bangkok on December 5, 1946.
4. T-8123 from New Delhi, December 30, 1946, CONFIDENTIAL.
5. India and France agreed to exchange ambassadors, February 18, 1947.

India clearly intends to take a vigorous part in the activities of the United Nations as a means of establishing her own international importance and of obtaining consideration of her problems at the highest world level. India is interested particularly in the improvement of the rights of Indians resident overseas, in preventing the annexation of adjacent areas by the South African Union, in gaining for herself some share in the responsibility of administering trust territories, and in opposing European colonialism at every turn. The following characteristic statement illustrates India's conception of her world role and her future relations with Britain:

> "The right of secession from the British Empire is one of imperishable importance to the people of this country, both in the constitutional and the political sense.... We in this country do not want to be considered any more a subject people. We have earned the right to freedom and independence. We have a series of disputes.... which are perennial concomitants of our long association with Britain and her Empire and Commonwealth. Most of these disputes are inevitable, and there cannot be any question that Britain would be allowed as before to continue as master, disputant, and judge.... We in this country would like to lift the problem from out of the traditional rut of Empire and Commonwealth, and take it over to the higher plane of the world community, where alone justice is possible.... I would plump for ... the right of access to the properly constituted international tribunal ... on the sole condition that such a tribunal possesses the impartiality and the authority which are needed for the settlement of disputes between a world power like Britain and a politically suppressed country like my own."[1]

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1. Lanka Sundaram, India in World Politics (Delhi and Lahore, 1944), pp. 270-272. Lanka Sundaram is a newspaper man from Madras and a member of India's delegation to the UN. He has been lecturing in the United States during 1946-47. He is essentially a journalist rather than a researcher, but his ideas apparently enjoy wide currency in India.

II. MODERATING FACTORS IN BRITISH-INDIAN RELATIONS

A. Need for Governmental Stability

Despite the potential divergence already indicated in Anglo-Indian relations, various considerations suggest that this development will, for the time being at least stop short of complete severance of cooperative effort. In a period of political instability India's leaders are not likely to risk the confusion that would follow from dispensing with all British assistance in the conduct of India's public affairs. Many of the older British-Indian civil servants are disheartened and weary, are not popular, and appear to be unable to adjust to the new situation.[1] However new assistance from Britain can and probably will be recruited to man technical branches of the administration such as health, engineering, industry, and possibly finance.[2] British administrative experience, technical competence, and personal integrity command a degree of respect in India that nationals of no other state have so far obtained.[3] Anglophile Indians, industrialists, landowners, and princes, although strongly represented in the Constituent Assembly, will nevertheless be obliged to move with caution in the face of hostile political pressure. Some conservative Indians have indicated a preference for monarchy as a hedge against radicalism and as a means of ensuring governmental stability during the critical initial period of self-rule.[4]

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1. FBIB, Daily, January 7, 1947.
2. D-661, Madras, October 5, 1946, RESTRICTED.
3. Since the war India has requested American assistance in technical fields such as hydroelectric development, railways, and food production.
4. Sundaram, op.cit., pp. 279-280.

Outside assistance will be needed in any case and India's preference for British aid would probably be strengthened by the fact that Britain is no longer the strongest world power but rather the weakest of the top three.[1]

B. Foreign Service Training

India will be dependent in large measure on British assistance for training a diplomatic and consular corps.[2] Almost no trained personnel are available. India is exchanging ambassadors with the United States and China, High Commissioners with Britain and several of the British Dominions, and representatives with Burma and Ceylon. Consular representatives have been sent to Bangkok and Saigon. Negotiations are apparently well advanced for establishing diplomatic relations with the USSR; France, Norway and Mexico have expressed a desire to exchange representatives with India.[3]

British traditions, which are at present firmly ingrained in the permanent staff of India's Foreign Affairs office, will probably influence for an indefinite period the orientation of India's interests on a world-wide basis, and will determine to some extent the actual conduct of her foreign relations.[4] It is significant in this connection that the Indian Government has recently agreed to exchange High Commissioners, not ambassadors, with Canada.

C. Business and Industry

India's economic development can obviously profit from

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1. See The Statesman (Delhi), June 2, 1946
2. FBIB, Daily, September 27, 1946.
3. 4D-878, New Delhi, December 16, 1946, UNRESTRICTED; A-271, Ottawa, December 27, 1946.
4. FBIB, Daily, September 24, 1946, statement by Nehru; Ahmed, op.cit., p 21.

continued British participation, although Indian nationalists will be inclined to accept it only on the terms of Indian control.[1] Commercial and investment activities as well as the insurance and banking services of the two countries have been intertwined for so many years that abrupt severance of such connections would be out of the question. British-Indian industrial agreements consummated in 1945, covering the automotive and chemical industries,[2] suggest a feasible pattern of integration of British technical conpetence and patented processes on the one hand and Indian capital and labor on the other. British business spokesmen are probably over-optimistic in suggesting that a joint British-Indian committee should rationalize industrial cooperation by deciding what types of goods India will manufacture with British aid and what she will buy from Britain, and that a trade finance treaty be drawn up based on these two lists. British businessmen in the future also will lackt the traditional advantage of having friends in government.[3]

In the field of air transportation, in rayon manufacture, and in the supply of capital goods generally, American competition is already in evidence.[4] India's insistance that she enjoy full use of current dollar earnings for urgent purchase of American equipment indicates that the British will not have the field entirely to themselves.[5] Nevertheless it appears certain that the

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1. Editorial in Hindustan Times, October 22, 1946.
2. Nuffield and the Birla interests agreed to collaborate in automobile production in June 1945; Imperial Chemicals Industries and Tata reached an agreement in December 1945.
3. Great Britain and the East, June 1946, pp. 47-48; September 1946 p. 54.
4. D-3156, Bombay, October 6, 1946, CONFIDENTIAL.
5. The Eastern Economist, VII, July 19, 1946, p. 96.

great mass of the capital goods needs patents and technical assistance required by India's industrialization program, especially that portion of it sponsored by the state, will probably come from British sources.

D. India's Dependence on Britain for Defense.

Indians are aware that the defenses of their country begin at Aden and Basra on the west and in Malaya and Burma on the east. Friendly control of the Persian Gulf coasts is admittedly vital to India's safety.[1] Indian spokesmen freely concede in this connection that for some time to come the burden of defending the sea and land approaches to India is too onerous for her industrial resources and for her armed forces, especially on the sea and in the air, to sustain. The enormous problems attending India's theoretical assumption of major military responsibility in a regional scheme for the security of southern Asia appear not yet to have been faced, much less solved. Without a considerably larger measure of political cohesion at the center than the Cabinet Mission scheme contemplates, and without a marked advance in the industrial field, India's proposal that neighboring states attach themselves to her for self-protection cannot be regarded seriously.

India's defense policy, it appears, will be obliged to reconcile her dependence on cooperation with Britain and Empire countries militarily with her conflicting desire to be rid of British troops on her own soil[2] and to establish her position as the acknowledged defender of the people of southern Asia. India cannot participate

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1. Ahmed, op.cit., pp. 11-19, 23, 29-32
2. Government of India Information Services, October 7, 1946.

in any regional scheme for security in southeastern Asia in cooperation with colonial powers such as Britain, France, and the Netherlands without weakening its claim to leadership. Hence India's insistance that Great Britain and the U.S. abandon support of the French and the Dutch in that region. However, sympathy between Asiatic neighbors based primarily on a common opposition to European imperialism is not sufficient of itself to realize India's ends. Achievement of Asiatic leadership for India depends first of all on the degree of political unity and economic strength she can muster, and then upon gaining the confidence of the neighboring peoples concerned. These ends are for future realization. Meanwhile, Britain will remain the dominant power in the strategic picture.

E. Indianization of the Army

Continued military cooperation between India and the United Kingdom is also indicated because the creation of an Indian army will require British assistance. British and Indian arms and training systems have been standardized since 1918. As recently as 1941, 80 percent of the officers of the Indian Army were British, and very few of the Indian officers commissioned during the recent war have received general staff training. The 9,000 additional officers (5,000 of them in the higher ranks) needed to replace discharged British officers[1] in nationalizing the Indian Army will have to be trained. The National War Memorial Academy for India, to be built in 1947, will, when in full operation, graduate only 600 cadets a year, and the first class cannot graduate before 1951 or 1952.

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1. FBIB Daily, November 13, 1946. British regular officers of the Indian Army with less than twenty years' service are being asked to say whether they wish to be transferred to a different service. See FBIB, Daily, January 8, 1947.

Furthermore, the expense of developing and maintaining a modern mechanized army of any size is beyond India's present resources, not to mention an effective navy and air force.[1]

The Indianization program to date has encountered great difficulty because many Indians are reluctant to enter the army as junior officers.[2] Indian Army troops have heretofore been recruited largely from the so-called fighting tribes of northern India who are deficient in formal education. Immediate and total withdrawal of all British officers from the Indian army would clearly destroy the effectiveness of the army and cripple the officer training program. It would also raise the question of whether the doughty Nepalese Gurkha forces, who have previously served only under British officers, would continue to serve with the Indian Army. British withdrawal might precipitate open strife within the officer ranks themselves over the inevitable question of army control. Responsible Indian spokesmen have made no rejoinder to General Auchinleck's estimate that the changeover may require fifteen years. It is not improbable that the Indian Government will have to ask eventually for the loan of British officers to complete the task.[3]

Any plans for future Anglo-Indian military cooperation — which may involve the Dominions as well — will probably be formulated by the political authorities and not by the Chiefs of Staff.

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1. The prewar force of 200,000 men, five sloops and eight air force squadrons absorbed 23% of India's annual revenues. Daily Telegraph, November 22, 1946.
2. WR667-46 New Delhi, October 15, 1946, CONFIDENTIAL. Only 10% of the first contingent of 1200 officer training candidates were found suitable.
3. D-2705, New Delhi, November 25, 1946, UNRESTRICTED.

The army will be primarily Indian and the policy behind it presumably Indian, but the need for British assistance and the logical necessity of Empire collaboration for effective defense of southern Asia would seem to ensure that the strategic plans of the two countries will of necessity run closely parallel. Arrangements for British-Indian military cooperation would not necessarily require, of course, continued acknowledgement on India's part of allegiance to the British Crown. The resulting British-Indian relationship would conceivably be somewhat stronger than a mere military alliance, but would involve more limited liabilities than Dominion status has traditionally entailed. Precise definition of such a relationship may not even be attempted if traditional British practice can be taken as a guide.

F. The Soviet Danger

India's reaction to a possible aggressive move by Russia in the direction of Afghanistan or the Persian Gulf would undoubtedly be to resist, and her military plans when matured must necessarily take into account such a contingency.[1] For the time being, however, India is more likely to tempt fate by currying favor with the USSR in view of her own defenseless condition and her desire to escape dependence on British aid. As a case in point, the anti-British press in India denounced the dispatch of Indian troops to Basra in July 1946 as a move calculated to drag India into a possible war with Russia.[2] India's delegates have already welcomed in the United Nations the USSR denunciatory attacks on Anglo-American policies generally. It may be noted, on the other hand, that the tendency toward a Soviet-Indian rapproachement is not supported by any substantial economic considerations or by widespread sympathy in

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1. The Modern Review, (Calcutta), May 1946.
2. D-Bombay, No. 3031 August 9, 1946, RESTRICTED.

India for Communist ideologies. Influential elements of the Congress Party and within the Muslim League as well dislike thoroughly the tactics of the Indian Communist Party, while recognizing the necessity of maintaining friandly relations between their country and the USSR.

The Moscow radio is inclined to denounce bourgeois aspects of the Congress Party but it also acknowledges Pandit Nehru's attempt to follow a foreign policy independent of Britain and not anti-Soviet.[1] Communist propaganda casts doubt on the sincerity of British intentions. The possibility of peaceful transition from British to Indian control, therefore, is regarded very skeptically at Moscow partly from propagandist considerations and partly because such an achievement would violate the basic Soviet thesis that only Communism backed by agrarian revolution could obtain for dependent peoples realization of their independence.[2] Anti-British but non-Communist papers like the Bombay Free Press Journal were willing to publish the Soviet-inspired charges that Indian troops were sent to Basra in the summer of 1946 to protect British capitalist interests at Abadan and not the 1500 Indian workers of the Anglo-Iranian Oil Company, who had endured long hours of work, bad food, poor quarters, and inadequate medical care.[3] The readiness with which the Indian press accepts interpretations hostile to British (or American) interests, even when originating from notoriously prejudiced sources, indicates a formidable psychological barrier to Anglo-Indian cooperation wherever British strategic or economic interests may be involved.

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1. The Modern Review, (Calcutta), May 1946.
2. OCL-3489.1, September 3, 1946.
3. D-3031, Bombay, August 9, 1946, RESTRICTED. The article was written for the Communist Party's People's Age of August 11, 1946.

Distrust of Soviet expansionist designs on the part of informed business elements in India, on the other hand, is deep-seated. In a speech of September, 1946, Homi P. Mody, chairman of the Indian Council of World Affairs (host to the forthcoming Asiatic Conference), declared that in view of Soviet policy, the idea of a world commonwealth might have to be abandoned in favor of consolidation of positions by democratic nations to create their own world order against the spread of Communistic influence. Great Britain and the US, he added, would have to pay for Asiatic support in that case by enabling the European dependencies of Southeastern Asia to attain self government.[1] A writer in Hindustan Times, a Birla publication, acknowledges the psychological problem of India's embittered feelings toward Britain and affirms the unwisdom of accepting as a condition of India's freedom diplomatic liabilities which might endanger that freedom; but he concludes that if the Labor Party could give a radical reorientation to Britain's foreign policy, Indo-British relations could be established on a permanent and expanding basis.[2] It remains to be seen whether the tendency of Indian big business to oppose Soviet and to favor British connections will be effectively discounted in any future leftist orientation of the Congress Party.

III. MAJOR PROBLEMS TO BE FACED

A. Economic Problems

Prominent among the economic difficulties that will arise between Britain and India are the questions of India's sterling

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1. D-3109, Bombay, September 11, 1946, RESTRICTED.
2. Iqbal Singh, "Foreign Policy for India, III", Hindustan Times, June 5, 1946.

balances held in London, and the negotiation of new commercial agreements with Britain and the Empire generally.

1. The Sterling Balances Settlement. Mainly as a result of a British-Indian agreement made in November 1939 obligating Britain to repay India for imported war materials, capital expenditures for air fields and installations, and the expenses of Indian troops operating abroad, India liquidated during the course of the war all of her external sterling debt (some £300 million), paid off railway annuities held in Britain, took over debentures of twelve Indian railways held by British interests, and by April 1946, accumulated in addition on her own account a sterling balance of £1,300 million. India's dollar earnings in trade and through American military expenditures in India were also allocated for British expenditure through the dollar pool. These balances include unfunded short-term capital claims held by the Indian Government, or by central banks, currency boards, financial institutions, or individuals outside of the UK all theoretically chargeable against the gold and foreign exchange reserves in the UK. For the most part (perhaps 90 percent) these balances are invested in British Treasury Bills bearing interest at ½ percent per annum.[1]

The release of the sterling balances is the responsibility of the British Exchange Board, which controls imports and exports, cargo allocations, and conversion to the currencies of other countries. Britain is not able, of course, to provide free exchange

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1. Foreign Commerce Weekly, October 28, and November 11, 1944. An estimated 7% of India's sterling balances occurred as a result of their surrender during the war of dollar exchange earned in India. See R-198, New Delhi, October 17, 1946, UNRESTRICTED.

on demand to liquidate all her foreign indebtedness, including India's enormous share; she needs all her accumulated dollars to buy American goods and to service the American loan. The purchase by Indians of British securities and British investments in India, a practice which continues, can cancel only a small fraction of the sterling holdings (possibly £250 million). The value of British exports to India during the first half of 1946 was only £2,000,000 in excess of imports.[1] Neither consumer nor capital goods in Britain are currently in sufficient supply for export purposes to liquidate any sizeable portion of the debt.

Negotiations relating to Britain's indebtedness to India, scheduled to begin on January 29, 1947, are bound to encounter difficulties and will probably be acrimonious. The economic future of both countries depends on finding a solution to the problem. India's leaders have been extremely concerned to convert the balances into tangible assets geared to their industrialization program, because on the success of the latter depends in large measure India's bid for Asiatic leadership. The various proposals, one of them made in connection with the American loan, that Britain endeavor to scale down her indebtedness to sterling area countries, have been the object of very bitter attack in India.[2] British negotiators of the American loan and informed British

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1. Daily Telegraph, August 28, 1946. The six months' totals were £35 million British exports to India and £33 million imports from India. According to R-209, New Delhi, November 1, 1946, UNRESTRICTED, India's sterling balances shrank £64 million from April to October 1946, although the reasons for this considerable decrease are not clear.
2. Secretary Vinson's off-hand suggestion that Britain's sterling obligations might be scaled down by 30% and made payable over a 50-year period at no interest charge intensified India's sensitivity on the subject. See The Eastern Economist, June 14, 1946, p 990.

publicists have given no encouragement to the hope that India will agree to any arbitrary scaling down of Britain's debt, although something approximating that end may be achieved through the disposal of British installations in India.

A British Fabian Society proposal which has gained sympathetic consideration in India suggests that approximately one-third of Britain's debt to India might be liquidated by (1) enforced sale of some £250 million worth of privately held British investments in India, (2) funding the liabilities of the Government of India in respect of civil service pension charges to the extent of £150 million,[1] and (3) the sale of wartime fixed assets, equipment, and stores in India amounting possibly to £100 million, or £500 million all told. In addition, Indian investment in British industry could be further encouraged; Indian scholarships could be assigned to British universities; India could purchase a larger volume of British books and films. The remainder of the sterling balances might then be released at the rate of perhaps £50 million per year in the form of consumer and capital goods being made available to India over a period of twenty years or more.[2] No interest rate for the funded balances was mentioned in the report.[3]

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1. Arthur Henderson, Undersecretary of State for India, arrived at New Delhi on January 4, 1947 to discuss the matter of compensation for Britishers in the Civil Service and the Indian Army who because of constitutional reasons are obliged to resign. No understanding was reached apart from the Interim Government's alleged agreement to retain British and Indian members of the civil service on their present terms. See FBIB, Daily, January 15 and 16, 1947.
2. The Eastern Economist, July 19, 1946, p. 95-96.
3. The Tata Quarterly for April 1946, rejected outright cancellation of any portion of the debt, but proposed that a graduated schedule of repayment be worked out based upon Britain's capacity to pay and India's capacity to absorb capital goods and technical assistance beginning at £37.5 million per year. See The Statist, August 24, 1946, pp. 176-178.

If Britain follows the pattern of the sterling balance settlement move with Argentine in September 1946, other creditors of the UK will be asked to fund for a limited period of time at a low rate of interest the major portion of their debts, free convertibility being allowed only for new sterling assets.[1] India's spokesmen have protested loudly that the Argentine settlement does not constitute a precedent for them. They will endeavor to have substantial amounts of the sterling balances made freely convertible at once, and will oppose cancelling any portion of the debt. It does not appear, however, that they can avoid the necessity of funding a very large proportion of the balances at a low rate of interest and of being permitted access annually to limited amounts only of British capital goods.[2] India will be obliged to continue her import licenses. She is already enjoying virtually free use of her current dollar earnings[3] and will be able after July 1947 to convert new sterling debt to other currencies under the terms of the Anglo-American loan.[4]

The British negotiator has the advantage of being able to wrap up in a single package an agreement covering the liquidation of British-owned installations, recognition of India's new international status, and Britain's future responsibility for India's defense with trade and monetary considerations generally.[5] India's

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1. Argentina's wartime balances amounting to £130 million were funded at ½% interest over a four-year period, while future sterling assets were made exchangeable in virtually any direction.
2. D-3175, Bombay, October 16, 1946, UNRESTRICTED; R-209, New Delhi, November 1, 1946, UNRESTRICTED.
3. R-198, New Delhi, October 17, 1946, UNRESTRICTED.
4. The Anglo-American Loan Agreement also proposes that sterling balances be released by installments over a period of years beginning in 1951.
5. OCL-3324.31, October 8, 1946.

desire for speedy decision with respect to sterling balances will also strengthen Britain's bargaining position.

If a genuinely satisfactory working agreement for releasing India's sterling balances can be reached, India will thereby acquire a very considerable stake, totaling well over one billion pounds, in the future stability and economic productivity of the UK. This very tangible consideration may therefore provide a bond of union between Britain and India not based on sentiment and rivaling in strength their common interest in the defense of southern Asia.

2. Trade Relations. Future British-Indian commercial arrangements will undoubtedly differ in several particulars from the present pattern. There are grounds to believe that India will: (1) endeavor to repudiate the traditional monetary relationship between the pound and the rupee; (2) discontinue empire preferences; (3) resort to protective tariff and quota restrictions to stimulate and stabilize its contemplated industrialization program;[1] (4) eventually make a concerted effort to capture consumer-goods markets in neighboring Asia and Africa, and (5) continue the prewar trend toward increase in the import of raw materials relative to manufactured articles.

For some time, however, Indian purchases of goods from the UK are likely to be maintained at a high level because of the economic prostration of other prewar supplying countries such as Germany and Japan, the scarcity and high prices of American goods, and, of course, the prospective annual release for India's use over several decades of sizeable portions of the sterling balances. British exports of capital goods will contribute in the end to India's capacity to meet her domestic needs for consumer goods,

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1. T-964, New Delhi, undated; received September 20, 1946, UNRESTRICTED.

but the latter demand itself will increase.[1]

India hopes to utilize her expanded industrial facilities as a bargaining weapon to negotiate, outside the Empire preference system, trade treaties designed to bolster her leadership in a projected Pan-Asiatic Federation.[2] In furtherance of the same political end, India will probably champion at international conferences the claims of all industrially underdeveloped countries.[3] Although India's commercial policy will not take into account Empire interests as such, its commerce for some time will tend to support its political ties with Great Britain and to a lesser degree with other parts of the Commonwealth.

B. Political Questions

1. Peripheral Areas and the Native States. Britain and India may encounter difficulties in negotiating a settlement covering the transfer to Indian control of areas peripheral to India over which the British officials of the Government of India have heretofore exercised supervision or control. These include numerous tribal areas, located mainly along the Northwest Frontier and in Assam and Baluchistan. The Khan of Kalat, for example, whose forebears leased the Quetta area in Baluchistan to the British, has declared that the lease will terminate when the British tenant departs. The disinclination of the tribal peoples of the

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1. Board of Trade Journal, July 6, 1946, pp. 865-68
2. T-CDA 302, New Delhi, September 25, 1946.
3. T-964, New Delhi, undated; received September 20, 1946; UNRESTRICTED. D-3122, Bombay, September 19, 1946, UNRESTRICTED. Indians are suspicious that American proposals for general expansion of world trade and employment by removal of trade barriers and discriminatory practices would hamper the economic development of backward countries.

Northwest Frontier to accept Indian control, which Nehru's negative reception in October 1946 appears to have demonstrated, will be an important factor. Lord Wavell's recent declaration to the liberty-loving tribesmen that they will have opportunity to negotiate with the new India as to their future relations with India presumably without following the pattern of their previous connection with British India,[1] will make it more difficult for Nehru. The struggle between the Congress and the Muslim League will also greatly complicate matters in the frontier areas. Britain's favored position in Nepal and Tibet, furthermore, will certainly not be inherited by free India as leading Indian spokesmen seem to anticipate.[2]

Nehru has announced that India will follow a very friendly policy toward Nepal, Bhutan, and Sikkim and will welcome any desire on the part of Nepal to realize a closer union with India.[3] Nehru has also promised to examine the future status of strategically important Baluchistan and the tribal areas of the Northwest Frontier in consultation with all interests concerned. He indicated his intention to preserve tribal assemblies and other traditions in such a manner as to serve the interests and welfare of the people themselves. He assumed, however, that it would fall to the Indian Constituent Assembly to decide in what way British Baluchistan would enter the new Indian body politic and be administered, and suggested the introduction of an Advisory Council

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1. FBIB Daily, November 18, 1946.
2. Ahmed, op cit., pp. 27-28.
3. D-778, New Delhi, September 28, 1946, RESTRICTED.

to assist the existing resident Agent of the Governor-General. British authorities, it may be assumed, will consider themselves among the interested parties that Nehru intends to consult.[1]

The feudal relationship which Britain occupies with respect to India's Princely States is another moot point. In accordance with the terms of the Cabinet Mission plan, the States will not participate in the Constituent Assembly until after the provincial constitutions have been formed and the many difficult questions respecting constitutions for groups of provinces have been resolved. The princes will take part in the final arrangements for setting up a Union of India whose responsibilities will be limited to foreign affairs, defense, and communications, and the necessary provisions for financing these functions. After the Union Constitution comes into force and British suzerainty is withdrawn, the Indian States will be free to negotiate with what was formerly British India about matters not determined by the Constitution itself.[2]

Much depends on how British authorities exercise their power of initiative, if at all, with regard to the relations of the States to the rest of India. It is obvious that Britain's influence over the Indian States may continue for some time if formidable difficulties are encountered in the constitution-making processes. The continued exercise of British suzerain powers over the native states could become embarrassing to Indian leaders and a future rift with Indian Congress leaders over the matter is a possibility. The prospect is all the more disturbing in view of

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1. Government of India Information Services, September 27, 1946.
2. D-2478, London, November 8, 1946, UNRESTRICTED.

probable repercussions relating to the grant of a large degree of autonomy for provinces dominated by the Muslim League.

2. Burma, Ceylon, and Malaya. An equally complex problem of adjusting British-Indian relations arises in Burma and Ceylon where proximity to India and indigenous opposition to Indian immigration constitute serious problems. Britain will probably take advantage of the genuine fear that prevails among the Burmans and Sinhalese of falling under Indian control in order to keep these countries within the circle of the Commonwealth. Some Indian publicists appear to be entirely ignorant of virulent Burmese and Sinhalese opposition to possible Indian control of Burma and Ceylon; they take for granted the affiliation of both Burma and Ceylon within what they term the "Indian System". The recently concluded US-India Air Agreement, for example, has been attacked in India as an unnecessary surrender of India's inherent cabotage rights over Burma and Ceylon.[1] Panikkar's conception of the future relationship between India and Southeast Asia, which has been praised as a valid exposition of Asiatic opinion,[2] is that not only the security of southeastern Asia, but also the economic and the political future of the area is bound indissolubly with India.[3] He discounts

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1. R-222, New Delhi, December 9, 1946, RESTRICTED.
2. Taraknath Das, in Annals of the American Academy of Political and Social Science, May 1944, pp. 218-219. Mr. Das says that Burma "must be intimately connected with India in matters of foreign affairs, defense and international policies".
3. Kavalam Madhava Panikkar, The Future of South East Asia: An Indian View (New York, 1943), chapters 1 and 2. Panikkar differs from others in affirming the necessity of continued British leadership in a regional defense scheme covering the area, which would include the cooperation of liberalized French and Dutch colonial regimes. Panikkar has been Prime Minister of Bikaner state in the Rajputana since July, 1944. He was educated at Oxford, and has been editor of the Hindustan Times, Foreign Minister of Patiala and of Bikaner, Secretary of the Indian States delegation to the Round Table Conference, representative of the Indian States to the Pacific Relations Conference in Canada in 1942, and is the author of some ten books on the history and government of India.

Chinese penetration in the open because of the suspicion and disfavor with which all peoples of southeast Asia regard them,[1] the author being apparently oblivious to the fact that Indians are viewed in much the same way, especially in Burma.

Another Indian spokesman discounts India's capacity for Asiatic leadership generally, but advocates reincorporating Burma (separated from India in 1937), and declares with apparent confidence that Burma, Malaya, and Ceylon as part of India's own system "are likely to make a bold bid to come back into closer association with India both in the military and political sense."[2] He deprecates Ceylon's racial-dogma ridden politicians and Burma's Indophobia "suddenly puffed up with jejune ideals of national independence and sovereignty".[3]

A basic argument and a strong one being used by British authorities to influence Burma and Ceylon in particular to remain within the orbit of the Commonwealth is that if the British should sever all connections, India would be in a position to dictate to these countries. For tactical reasons London may encourage the peoples concerned to take the lead in protesting India's pretentions, but the situation is very likely to constitute an eventual stumbling block in the way of cordial British-Indian relations.

Ceylon will probably elect dominion status. Burmese leaders would apparently prefer to rely on UN security guarantees, if such were

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1. Ibid., Chapter 5 and pp. 79 ff.
2. Sundaram, op.cit., pp 267-272. In another connection, the author asserts that "the people of Burma are essentially good-natured and they would like India as a helper, more or less as a Big Brother, who is capable of leading not only Burma, but also Malaya and Ceylon, in a future world set up" (pp. 211-212).
3. Ibid., pp. 183, 199, 202-203.

effective, without having to rely on either British or Indian assistance, but they will never elect to be dependent on India.[1]

C. India's Bid for Asiatic Leadership

Nehru has announced an ambitious conception of India's future role as the center of a federation of Asiatic countries looking to India for both economic and political leadership, and as the pivotal foundation for a regional defense scheme for Southern Asia. According to Nehru, the encouragement of cultural and economic contacts and the development of concrete proposals for cooperation among Asiatic countries can develop a genuine Asian policy, designed to afford self-protection and to promote harmony in the world. "It is inevitable", he declares, "for India to be the center of affairs of Asia and in that term I would include Australia and New Zealand, or even East Africa".[2] This program is almost bound to run afoul of British interests, partly because it is deliberately anti-European in emphasis, and partly because London is endeavoring to sever the previous connections of the Government of India with Persian Gulf affairs.[3]

India's bid for the cultural leadership of Asiatic peoples will be dramatized in the Pan-Asiatic Conference scheduled to meet in New Delhi in late March 1947 under the auspices of the Indian Council of World Affairs. The Conference is not supposed to concern itself with political matters, but the agenda includes immigration, racial problems, nationalist movements, food, health,

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1. FBIB Daily, January 8, 1947; New York Times, January 6, 1947. Aung San on January 6 ruled out any question of Burma's re-joining the Indian union.
2. The Statesman (New Delhi), August 17, 1946.
3. T-9214, London, November 1, 1946.

cultural and economic exchanges.[1] Nehru himself at the outset acted as chairman of the committee in charge of preparations, a post which he later turned over to Mrs. Naidu. The invited delegates will be largely non-official persons and will represent a number of peoples who are not yet self-governing. Representatives from thirty-odd Asiatic nations have been invited to participate along with Egyptian delegates and six "observers" from Kenya. The list includes the Soviet Republics east of the Urals and even Japan.[2]

How extensive the response to India's invitation will be is impossible to predict. Enthusiastic reactions to date have come from Burman, Filipino, and Indonesian leaders. The latter owe India a particular debt of gratitude for insisting on the withdrawal of Indian troops from Java. Other countries allegedly to be represented by delegates or observers include Afghanistan, Ceylon, Malaya, Syria, Lebanon, Nepal, and Bhutan. China will send an unofficial delegation and a Turkish consul resident in India will probably attend as an observer.[3] Saudi Arabia is not intending to participate. The session will probably promote Asiatic solidarity negatively by affording outlet to the long-suppressed resentment of subject peoples against the white man's imperialism, and may easily provide an opportunity for Soviet propaganda. It is not likely to succeed in erecting an Asiatic

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1. T-762, New Delhi, September 17, 1946. The Indian Council is distinct from the Anglophile Indian Institute of International Affairs, and was represented at the IPR Hot Springs Conference in 1945.
2. Another report, which is unconfirmed, tells that an Asian student's council will be held in August, 1947, preparatory to organizing an Asian students union. See FBIB Daily, January 9, 1947.
3. FBIB Daily, January 8 and 14, 1947.

federation, however.[1] Aung San, the Burman leader, does not regard an Asiatic federation as an immediate possibility.

Indian leaders have already indicated a readiness to capitalize on the racial issue and they believe that any weakening of imperialism as such only adds to their own margin of safety. A serious rift between Britain and India could develop, therefore, if British authorities should attempt to buttress the faltering French and Dutch colonial regimes in Asia along traditional lines.[2] India will doubtless enjoy Soviet support in any endeavor to crystallize Asiatic sentiment against European imperialism and against racial discrimination.

British spokesmen point out that if and when the Indian Government should attempt to give economic and political content to its assumed role as the leader of a Pan-Asiatic Federation, the scheme will inevitably encounter difficulties.[3] China, for example, is not likely to follow India's lead, and the Asiatic Soviet Republics will cooperate only so long as Moscow considers it advantageous to do so. Middle and Near Eastern countries like Iran and Turkey,[4] furthermore, are oriented toward Europe culturally and regard India as a backward nation unqualified to take the lead. The Moslems of Afghanistan and the Arab League countries entertain little respect for their co-religionists in India, and although the Arab League sympathises with India's nationalist aspirations, it would never be willing to cooperate in a federation

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1. T-96, Moscow, January 15, 1947.
2. Iqbal Singh, "Foreign Policy for India", Hindustan Times, June 4, 1946.
3. Great Britain and the East, June, 1946, pp. 50-52.
4. T-29, Ankara, January 14, 1947. The Turks are cool to the entire proposal.

led by India.[1] Nehru's proposal to send Maulana Azad, Muslim ex-President of the Congress Party, on a good-will mission to the Middle East[2] has been challenged by Jinnah as a Hindu move to discredit the Muslim League throughout the area.[3] The peoples of Southeastern Asia, with a possible exception of the Indonesians, greatly fear the growth of India's influence and would probably oppose any really presumptuous move on India's part.

For the time being, India's role as champion of Asiatics will operate on the propagandist rather than the political level. Even if a semi-military alliance of Asiatic countries were consummated it would not be a significant development between countries lacking political stability and extensive industrial facilities. As long as European imperialism in Asia, whether economic or political, affords a vulnerable target for propagandist attack, India can be expected to utilize it on every convenient occasion. Such a policy will be a constant irritant in her relations with Britain and may disturb seriously India's friendly relations with various other colonial powers.[4]

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1. Jinnah's visit to Egypt in December 1946, was deliberately intended to prevent Arab League states from having any dealings with Hindu India. He failed in his endeavor to stimulate support for Pakistan, according to reports.
2. Government of India Information Service, September 27, 1946.
3. Dawn, September 28, 1946.
4. FBIB, Daily, January 4, 1947. The Congress President, Acharya Kripalani, on January 4, 1947, and Nehru, on January 7, declared India's sympathy with the Vietnam cause against the French and warned that suppression of the urge of Asiatic peoples for freedom will bring on sooner or later a conflagration worse than the last world war. Kripalani reminded the French that their own freedom had been regained by combined efforts of progressive world forces, and suggested that it ill behooved France now to deprive other peoples of freedom.

It may be recognized at the same time that India's thoroughgoing denunciation of colonial exploitation and imperialism establishes a standard against which to judge her own future conduct as well. Advocacy of expansionism on India's part is usually associated with their inordinate concern for the welfare of Indians overseas, which is next to be considered.

D. The Indians Overseas

No other issue of controversy between India and British Commonwealth countries is likely to rival in virulence that of the racial discrimination suffered by Indians overseas. India's compiaint before the UN General Assembly over treatment of Indians in Natal and the Transvaal is only the most difficult aspect of a problem which extends in less violent form to many other portions of the empire. Indians publicists, perhaps because more general participation in foreign affair's has been denied their country, have been prone for a decade or more to play up the plight of their three and a half million fellow Indians scattered throughout the world.[1]

Recruitment of indentured Indian laborers to man colonial plantations throughout the British Empire began around the middle of the nineteenth century in an endeavor to make good the disadvantage to which British sugar planters were subjected after 1833 as a result of the abolition of slavery by Parliament. The system of indenture survived in some instances into the twentieth

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1. P. Kodando Rao, "Indians Overseas", Annals of the American Academy of Political and Social Science (May 1944, pp 200-207). All but 104,000 of the 3,600,000 Indians overseas in 1931 lived within the British Empire. Approximately 100,000 Indians resided in the Dutch Indies and Dutch Guiana.

century.[1] The dispersion of Indians was augmented by the voluntary migration of free artisans and traders to cater the needs of the indentured laboring community. Many of the indentured and free Indians returned to India after a short period of residence overseas, but a considerable portion accepted their domicile as a permanent home. Their descendants in the British colonies at the time of the last available census (1931) numbered 1,017,000 in Burma, 755,000 in Malaya, 683,000 in Ceylon, 261,000 in Mauritius (almost three-fourths of the total population), 145,000 in Trinidad, 142,000 in British Guiana, 90,000 in Fiji (almost equal to native Fijians), with smaller numbers in the Dominions and various portions of British East Africa.[2]

The hypersensitive concern felt by Indians over the status of their countrymen living overseas arose not primarily from the material plight of the latter, as the vast majority of them have elected for economic reasons not to return to their homeland. The feeling stems rather from a sense of national humiliation and loss of self-respect as a result of imposed racial discrimination. Overseas Indians as a group are admittedly better off than persons of comparable social status in India, although they are not, of course, as well off in their new homes as they might be were it not for imposed handicaps. In the Union of South Africa Indians have been denied the franchise and have also been restricted in trading privileges, residence and property holding. Indian

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1. It continued until 1916 in South Africa and until 1920 in Fiji.
2. Aside from South Africa's 220,000 Indians, the British dominions contained relatively few Indians: Australia 24,000, Canada 1,500, and New Zealand 1,200. As of 1946 Kenya contained an estimated 61,000 Indians, Tanganyika 37,000, and Uganda 26,000.

plantation workers in Ceylon have been denied the franchise. In Burma before the war Indians suffered violence from race riots. British Columbia excludes Indian residents from the franchise and from certain occupations. Australia bars Indian immigrants by a literacy test, and Canada by the "continuous voyage" requirement. The Indian residents in Fiji vote only in separate electorates and cannot buy land. Residence and public service restrictions are suffered by Indians in British East Africa[1] although sanctioned by custom rather than by law. In the British West Indies and Guiana, Indians are generally more free, but are forbidden to exercise such religious rites as the cremation of their dead.[2]

Indians at home are loathe to face the disagreeable fact that their compatriots settled abroad are almost universally disliked.[3] They are inclined to denounce this negative attitude, even when recognized, as a hangover from the British-sponsored indentured system and to allege ingratitude on the part of the people who have profited from the contribution which Indian laborers made toward the economic development of the various British colonies. The only honorable course open to the future government of India, according to some, is to return blow for blow by employing every available sanction to secure just treatment for Indian nationals abroad.[4]

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1. Rao, op.cit., pp. 200-207.
2. Ahmed, op.cit., p. 57.
3. Sundaram, op.cit., p. 185.
4. Ibid., p. 183; Rao, op.cit., p. 207. The only overt measure employed to date with respect to Ceylon, Burma, and Malaya is the refusal of the Indian Government to permit the emigration of Indian laborers needed in these countries until satisfactory conditions of work, wages, and personal status are guaranteed them. See D-227, Singapore, November 18, 1946, UNRESTRICTED.

Although Britain is not directly chargeable for many grievances experienced by Indians overseas, especially in areas not under immediate British control, the inability of the home government to prevent racial discrimination has discouraged the development of any enthusiasm in India for Empire ideals as such. If continued membership in the Commonwealth as a Dominion does not mean an end to disabilities imposed on Indian residents in virtually all parts of the empire, would it not be better, they ask, for India to pull out of the Empire.[1] A leading Indian journal has declared flatly that recent events in South Africa have shattered the faith of those who had ventured to advocate that India remain within the British Commonwealth.[2]

Aside from the position of Indians in South Africa, which is already a matter of concern to the UN, the future status of the vast majority of Indians overseas will be a matter for direct or indirect negotiations between India and Great Britain. Britain has traditionally assumed a larger measure of responsibility for the welfare of overseas Indians resident in colonial areas than the Dominions have, but her future responsibility in this respect is likely to become onerous.[3] Under the new Ceylon constitution, for example, the British Governor is authorized to reserve for London's express approval any acts of the Ceylon Parliament that

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1. Ahmed, op.cit., pp. 51-63. The following statement appeared in the Bombay Sentinel of June 18, 1946: "The epic milestone in the march toward full freedom will never be reached as long as Whites in Africa, America, and all over the world .., do not cast off their colour prejudices and treat all human beings irrespective of their colour, as members of the same human family.... A few million Whites should not be allowed to dominate and rule the teeming coloured millions, who form the bulk of the world's population."
2. The Indian Review, XLIV, No. 5, May, 1943, pp. 207-208.
3. Sundaram, op.cit., pp. 182, 232-233.

may threaten to involve serious injustice or to evoke serious opposition from racial or religious communities such as the Indian Tamils.[1] Similarly, protection of the personal and property rights of Indian residents in Burma is almost certain to be covered both in the new Burma constitution and in any treaties between Britain and Burma which will mark the latter's transition to a more advanced international status.

E. Suggestions of Manifest Destiny

Despite the repeated assurances by responsible Indian spokesmen that their country has no imperialist ambitions and is concerned only in guaranteeing the right of every people to choose its own form of government,[2] it is not a difficult step from deep concern for the status of Indians overseas to ambitious assumptions concerning the destiny which India manifestly must play in the future affairs of her part of the world. Indian writers are fond of emphasizing India's extended cultural influence in the past, which suggests that her future role will follow the same historic tradition. Some insist that it is only by making the Indian people more fully aware of the part that they will play in shaping the future civilization of the world that sufficient enthusiasm within India can be aroused to improve material conditions and to strengthen the country physically; if full awareness of her destiny could only be achieved, India would then "rise like a lion shaking its mane, and ... save world civilization from its impending destruction".[3]

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1. Sir Josiah Crosby "The Constitutional Position in Ceylon", Pacific Affairs, XIX, pp. 276-78, September 1946.
2. E.i., Acharya Kripalani in a New Delhi broadcast November 23, 1946.
3. Swami Pavitrananda, "India in Relation to the World", India and World Affairs, I, No. 2, July-September, 1945.

The most obvious aspect of India's manifest destiny is control of the Indian Ocean. Indians point out that their country is more vulnerable to attack from the sea than from the land because of her thousand miles of coast line and her dependence on overseas commerce. K.M. Panikkar envisages a considerable expansion of the Indian Navy and the merchant marine, and Indian participation in the control of strategic island outposts extending from Singapore to Mauritius to Socotra in the Gulf of Aden. The combined British and Indian Naval force responsible for security of the Indian Ocean and having assured access to fuel supplies in Persia, Burma, and Sumatra would be based on Ceylon.[1] Although Panikkar recognizes that Britain, Australia, and South Africa also have vital interests in the security of the Indian Ocean, he argues that India's central position, its industrial potential, and its complete dependence on having free access to this ocean for reasons of commerce as well as of security require India to be the base for any regional defense scheme.[2] Only by deciding to shoulder at all costs her share of the active defense of areas necessary for her own security, he maintains, can India hope to uphold her freedom.[3]

Indian spokesmen are also concerned that the east coast of Africa be included in India's sphere of influence for commercial, agricultural, and possibly political development. They are very much opposed to the ambitious scheme sponsored in recent years by Field Marshal Smuts and other South African leaders for the union of all British possessions in Africa, south of the equator, under

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1. K.M. Panikkar, India and the Indian Ocean (London, 1945), p. 15.
2. Ibid., p. 82-98.
3. Ibid., p. 16.

a single self-governing dominion.[1] Indians interpret this proposal as an attempt to perpetuate white domination of lower Africa to the exclusion of possible future Indian interests on that continent. Indians have long opposed South Africa's proposed annexation of South West Africa on the ground that such a development would appear to be an initial step in realizing the Union's goal of white supremacy.[2]

Indians recall, furthermore, that they made an unsuccessful attempt in 1919 to have the former German colony of Tanganyika assigned as a mandate to India[3] instead of Great Britain. They were particularly alarmed over a resolution recently adopted by the Kenya Legislative Council advocating the immediate declaration of Tanganyika as a British colony. It is not surprising, therefore, that India's spokesmen before the UN recently challenged the failure of the UK to consult India as a state directly concerned when the trusteeship proposal for Tanganyika came before the General Assembly.[4] With respect to Kenya itself, where Indian inhabitants outnumber the whites more than two to one and control 90 percent of the retail trade, Indian spokesmen complain that recent laws severely restrict further Indian immigration, reserve

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1. OCL Situation Report, AFRICA, January 13, 1945, CONFIDENTIAL. Said Smuts in April 1940: "To the Union of South Africa, all Africa south of the equator, especially the British territories, are a matter of economic interest and concern..., Countries north of us are looking to us for guidance ... Southwest Africa, the Rodesias, Portuguese East Africa, Kenya, Tanganyika, Uganda, and the Belgian Congo."
2. D-752 from Pretoria, February 1, 1946 RESTRICTED; OCL-3489, September 3, 1946.
3. Sundaram, op.cit., p. 25.
4. T954, New York, December 11, UNRESTRICTED: T-967, New York, December 13, 1946, UNRESTRICTED. India's claim was neither recognized nor repudiated.

residence in the highlands for Europeans, and deny to the Indians proportionate representation on the Legislative Council. Similar disabilities prevail in Uganda and Zanzibar.[1] All of this suggests to the Indian mind a concerted European offensive throughout East Africa to curb the growth and influence of the Indian population and to maintain the privileged position which the whites have heretofore occupied.

Although the Indians resident along the African coast are by no means a unified group, a considerable effort on their part is being made to present a united front in opposition to white control.[2] European concern for the interests of the African natives is heavily discounted as a smoke-screen to mask the efforts of the whites to perpetuate their hegemony over both Africans and Indians. Some of them suggest in reply active Indian collusion with the negroes as in a statement by Sundaram:

> "If Indians in Africa today -- and they are half a million people -- can give the little leadership they have to the Kikuyu, the Bantu, and the Swahili, they will perhaps have done the greatest possible service to humanity, for I believe that in the maelstrom of racial conflict, which all thinkers visualize to be a certainty with respect to the fortunes of Africa, this motley group of Indians will, perhaps I should say ought to, become the spearhead of the attack against the whites on behalf of the coloured, meaning thereby the suppressed peoples of the world."[3]

Although disclaiming any ambitions on India's part to assume extensive responsibility for organizing and developing backward

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1. D-121, Nairobi, May 15, 1946, CONFIDENTIAL.
2. D-903, Pretoria, June 4, 1946, from a Durban report of May 27, 1946, CONFIDENTIAL. The Congress Party at Meerut on November 24, 1946, resolved in favor of equal treatment of Indians in East Africa. See FBIB, Daily, November 25, 1946.
3. Sundaram, op.cit., p. 214-223.

areas, Sundaram insists that India be permitted to contribute at least in token fashion to the betterment of the fortunes of unequipped countries located in the tropical belt of the East Indies and Africa. India, acting as guide and friend, would reverse the policy of white exploitation and guarantee justice and fair play to such peoples as the African, the Balinese, and the Karen.[1] The preponderant Indian residents of Mauritius, he insists, deserve "a dominant voice in the management of (the island's) fortunes", and the almost 100,000 Indians in Fiji must not be left to the "tender mercies of the white entrepreneur and the stimulated hatred of the indigenous Fijian".[2] Sundaram asserts that the "expansion of India in overseas countries in the generation to come is likely to become almost inevitable", and if India should be denied reasonable participation in overseas affairs, she will face the alternative of assuming leadership in a racial crusade against continued white domination.[3]

Indian protagonists assume that Africans can actually learn productive skills more readily from close contact with Indians than from any other source. World food shortages require, the argument runs, that Indians be afforded opportunity to reclaim potential rice lands in tropical Central America, Brazil, Central Africa, and coastal Australia, as well as vacant land in Madagascar,

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1. Ibid., pp. 234-35.
2. Ibid., pp. 225-26.
3. Ibid., pp. 234-35. One amendment abortively advanced by India in connection with trusteeships drafts before the UN General Assembly would have prohibited the administering authority from placing the inhabitants of a trust territory under its allegiance. See T-900, New York, December 2, 1946, UNRESTRICTED.

and the Sudan, from all of which areas the white man's immigration laws now exclude them. A planned ecology under international authority must ignore racial differences and put surplus peoples in places where they can best survive.

The support which the Soviet Union has given to the Indian opposition to colonialism and racial discrimination generally and to the policies of the Union of South Africa in particular has aroused hope that Russian support for India's expansionist ambitions may be forthcoming. The following statement will illustrate:

> "The USSR among the Great Powers recognizes no colour bar, and makes no distinction whatsoever between citizenship of Asiatics and the citizenship of Europeans among her many nationalities. It is not improbable that Soviet Russia ... may support ... the cause of freedom of emigration of Oriental peoples in their desperate struggle for life space....
> "If statesmanship now fails in the West, both social injustice and misery in the East might precipitate another global war...arousing...racial passions among the yellow, brown, black and white peoples."[1]

It would seem, therefore, that as long as Russia's own reasons for opposing the British Commonwealth's African program of regional centralization are not fully understood in India,[2] the belief that Russia is friendly to India's claims per se will be exploited by Moscow to drive a wedge between India and the so-called colonial powers. In any case if it should appear that British Empire countries appear to block the road to the realization of India's manifest destiny that conviction will have a long-run deleterious effect on future British-Indian relations.

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1. Radhakamal Mukherjee, "The Peopling of the Open Spaces", India and World Affairs, I, pp. 185-200, October - December, 1945.
2. See OCL-3489.1, September 3, 1946.

IV. CONCLUSION

British withdrawal from India is a very complicated task involving the untangling of political, economic, and military relationships of long standing. A specialized relationship is likely to result. If separation can be accomplished, as British leaders hope, in a manner calculated to assist an independent India to achieve political unity and administrative and economic stability, numerous considerations argue in favor of the persistence of friendly cooperative arrangements between the two countries for several years to come. Much depends in this respect on the persistence of responsible Indian leadership, as typified in Nehru, and the continued influence exercised by conservative economic interests in the councils of the Congress Party.

It cannot be assumed, however, that India will accept the traditional obligations and status of a dominion of the British Commonwealth, even though Dominion status does allow for variations in the relations of the several parts of the Commonwealth to Britain. An openly Anglophile policy would afford political demogogues a welcome opportunity to fan anti-British sentiment, making such a policy politically not feasible. Any conservative governmental program which was over-concerned about protecting vested interests including the British and which neglected the amelioration of the lot of the Indian peasants and industrial workers would also inevitably play into the hands of radical elements who would advocate a pro-Communist orientation of policy. Perhaps the most that the British can expect from India is an ad hoc arrangement for military cooperation in behalf of the security of southern Asia, a reasonable compromise in the field

of trade and finance related especially to the gradual liquidation of India's sterling balances, and the expansion of industrial cooperation between British and Indian capitalists under an agreement providing for non-discriminatory treatment of British interests and claims. Britain's greatest asset would derive from her long association with India's affairs and the trust and confidence that individual Britishers have inspired.

An eventual divergence of Indian and British policies can scarcely be avoided. Continued Russian efforts to ensure such a development must be assumed, focussing as heretofore on India's Anglophobia and her dissatisfaction with respect to colonial and racial issues. Britain's dilemma arises from the fact that any effort on her part to perpetuate India's dependence on the empire for the solution of economic or political problems will probably serve to aggravate antagonism within India, whereas any assistance afforded to develop a strong self-governing India capable of standing alone is likely only to encourage India's embarking on an independent foreign policy having no direct relevance to Britain's special interests.

As for the USSR, for the time being it is content to aggravate Indian distrust of British intentions, to fan anti-British feeling on grounds of imperialism and racial discrimination, and to focus India's attention as far as possible on southern Africa and Southeastern Asia. Although any discounting of alleged Soviet friendship for India will obviously strengthen pro-British elements within India, it may be noted that cooperation between Britain and India does not necessarily depend on an anti-Russian orientation on India's part.

The future character of British-Indian relations will depend mainly on how advantageous or essential Indian leaders will find

continued British political, military, and economic collaboration to be. Great Britain obviously is no longer in a position to command, but it is nevertheless in a fairly good position to bargain. As long as India's domestic and international situation remains insecure British influence can continue to make itself felt in the person of the Viceroy, in the old bureaucracy and the army, and in the area of business and finance. Pandit Nehru himself has declared that contacts between Britain and India, extending over the past one hundred and fifty years, could not be severed abruptly, and that, barring a violent disagreement, such relations would continue in hundreds of ways.[1] The intense desire on the part of Indians to assert their independence of British policy is none the less an important factor, as was reflected in their conduct at the November-December, 1946, sessions of the General Assembly of the United Nations.[2]

In view of the pressing political and economic problems facing India, and her own lack of the industrial resources required for any armed adventure, India has no choice in the immediate future but to play as impressive a role as possible before the United Nations and to take advantage of any rivalries that may persuade large powers to vie for her favor. India's attempt to assert leadership among Asiatic peoples will lack both popular appeal and substantive backing; unilateral ventures overseas to protect the rights of Indian residents, to undertake trusteeship responsibilities, or to assume the "black man's burden" in tropical lands are not likely soon

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1. FBIB Daily, New Delhi, December 16, 1946.
2. Note also the negative reception given by the Indian press to Secretary Byrnes' September 1946 speech at Stuttgart. D-3114, Bombay, September 12, 1946, CONFIDENTIAL.

to enter into the picture in any tangible way. As India's economic strength increases through industrial and commercial development, she may emerge after a period of time as an important factor in a delicately balanced power alignment in Southeastern Asia. But the next decade is fraught with so many unpredictable elements that long-range prognostication is largely profitless.